



Journal of the House

State of Indiana

114th General Assembly

First Regular Session

Tenth Meeting Day

Tuesday Afternoon

January 25, 2005

The House convened at 1:30 p.m. with the Speaker in the Chair.

The invocation was offered by Reverend Douglas Smith, Greater St. James Missionary Baptist Church, Evansville, the guest of Representative Trent VanHaaften.

The Pledge of Allegiance to the Flag was led by Representative VanHaaften.

The Speaker ordered the roll of the House to be called:

T. Adams	Klinker
Aguilera	Koch
Alderman	Kromkowski
Austin	Kuzman
Avery	L. Lawson
Ayres	Lehe
Bardon ☐	Leonard
Bauer	J. Lutz
Becker	Mahern
Behning	Mays
Bischoff	McClain
Borders	Messer
Borror	Micon
Bottorff	Moses
Bright	Murphy
C. Brown	Neese
T. Brown	Noe
Buck	Orentlicher
Budak	Oxley
Buell ☐	Pelath
Burton	Pflum
Cheney	Pierce
Cherry	Pond
Cochran	Porter
Crawford	Reske
Crooks	Richardson
Davis	Ripley
Day	Robertson
Denbo	Ruppel
Dickinson	Saunders
Dobis	J. Smith
Dodge	V. Smith
Duncan	Stevenson
Dvorak	Stilwell
Espich	Stutzman
Foley	Summers
Friend	Thomas
Frizzell	Thompson
Fry	Tincher
GiaQuinta	Torr
Goodin	Turner
Grubb	Ulmer
Gutwein	VanHaaften
E. Harris	Walorski
T. Harris	Welch
Heim	Whetstone
Hinkle	Wolkins
Hoffman	Woodruff
Hoy	Yount
Kersey	Mr. Speaker

Roll Call 39: 98 present; 2 excused. The Speaker announced a quorum in attendance. [NOTE: ☐ indicates those who were excused.]

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Thursday, January 27, 2005 at 1:30 p.m.

VAN HAAFTEN

Motion prevailed.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolutions 18, 19, and 22 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

ENROLLED ACTS SIGNED

The Speaker announced that he had signed House Enrolled Act 1021 on January 25.

INTRODUCTION OF BILLS

The following bills were read a first time by title and referred to the respective committees:

HB 1436 — Hinkle (Judiciary)
A BILL FOR AN ACT to amend the Indiana Code concerning property.

HB 1517 — Murphy, Bosma (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

HB 1540 — Woodruff, Ayres (Interstate and International Cooperation)
A BILL FOR AN ACT concerning natural and cultural resources.

HB 1579 — Cherry, Mahern (Public Policy and Veterans Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

HB 1597 — Ruppel, Gutwein (Public Safety and Homeland Security)
A BILL FOR AN ACT to amend the Indiana Code concerning public safety.

HB 1607 — Noe, Stutzman, Thompson, Bischoff (Public Policy and Veterans Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning health.

HB 1675 — T. Harris (Public Policy and Veterans Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning health.

HB 1690 — Turner, T. Harris, Thompson, Welch (Public Policy and Veterans Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning health.

HB 1717 — Ripley (Judiciary)
A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

- HB 1718** — Mahern, Buell (Local Government)
A BILL FOR AN ACT to amend the Indiana Code concerning taxation.
- HB 1755** — Thompson, Turner (Public Policy and Veterans Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.
- HB 1818** — Stutzman, Duncan, Welch (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.
- HB 1819** — Stutzman (Education)
A BILL FOR AN ACT to amend the Indiana Code concerning education.
- HB 1820** — Budak, Becker, Pelath (Elections and Apportionment)
A BILL FOR AN ACT to amend the Indiana Code concerning elections.
- HB 1821** — Budak, Becker, Aguilera (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.
- HB 1822** — Austin (Commerce, Economic Development and Small Business)
A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.
- HB 1823** — Austin (Local Government)
A BILL FOR AN ACT to amend the Indiana Code concerning local government.
- HB 1824** — Austin (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.
- HB 1825** — Austin, T. Brown, Mays, Turner (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.
- HB 1826** — Austin (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.
- HB 1827** — Austin (Commerce, Economic Development and Small Business)
A BILL FOR AN ACT to amend the Indiana Code concerning economic development and to make an appropriation.
- HB 1828** — Austin, Ayres (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.
- HB 1829** — Koch, Pierce, Tincher (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.
- HB 1830** — J. Smith (Family, Children and Human Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning human services.
- HB 1831** — J. Smith (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.
- HB 1832** — J. Smith (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning corrections.
- HB 1833** — Austin (Local Government)
A BILL FOR AN ACT to amend the Indiana Code concerning local government.
- HB 1834** — Austin, Ayres (Roads and Transportation)
A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.
- HB 1835** — Ayres, Aguilera (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning taxation.
- HB 1836** — Ayres, Aguilera, Foley, Dobis (Local Government)
A BILL FOR AN ACT to amend the Indiana Code concerning local government.
- HB 1837** — Ayres, Hinkle, Aguilera (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning taxation.
- HB 1838** — Porter (Education)
A BILL FOR AN ACT to amend the Indiana Code concerning education.
- HB 1839** — Porter (Education)
A BILL FOR AN ACT to amend the Indiana Code concerning education.
- HB 1840** — Noe, Behning, T. Harris (Education)
A BILL FOR AN ACT to amend the Indiana Code concerning taxation.
- HB 1841** — Noe, Stutzman, Burton (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning education.
- HB 1842** — Noe, Ruppel, Duncan, Walorski (Public Safety and Homeland Security)
A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.
- HB 1843** — Noe, Turner, Thompson (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning state fiscal administration.
- HB 1844** — Noe (Judiciary)
A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers and to make an appropriation.
- HB 1845** — Noe, Turner, Thompson (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.
- HB 1846** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1847** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1848** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1849** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1850** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1851** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1852** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1853** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1854** — Rules (Rules and Legislative Procedures)
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- HB 1856** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1857** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1858** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1859** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1860** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1861** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1862** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1863** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1864** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1865** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1866** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1867** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1868** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1869** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.
- HB 1870** — Rules (Rules and Legislative Procedures)
A BILL FOR AN ACT to amend the Indiana Code.

INTRODUCTION OF JOINT RESOLUTIONS

The following joint resolutions were read a first time by title and referred to the respective committees:

HJR 11 — Borders (Judiciary)

A JOINT RESOLUTION proposing an amendment to Article 1 of the Indiana Constitution concerning the definition of marriage.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fourteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 1 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED BY ADDING A NEW SECTION TO READ AS FOLLOWS: **Section 38. (a) Marriage in Indiana consists only of the union of a man and a woman.**

(b) This Constitution or any other Indiana law may not be construed to require that marital status or the legal incidents of marriage be conferred upon unmarried couples or groups.

HJR 13 — Micon, Klinker (Judiciary)

A JOINT RESOLUTION proposing an amendment to Article 8 of the Indiana Constitution concerning education finance.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fourteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 8, SECTION 1 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 1. Knowledge and learning, generally diffused throughout a community, being essential to the preservation of a free government; it shall be the duty of the General Assembly to encourage, by all suitable means, moral, intellectual, scientific, and agricultural improvement; and to provide, by law, for a general and uniform system of Common Schools, wherein tuition shall be without charge, and equally open to all. **The General Assembly shall provide by law that textbooks are provided to all students in public schools without charge.**

HJR 14 — Heim (Judiciary)

A JOINT RESOLUTION proposing an amendment to Article 4 of the Indiana Constitution by adding a new Section concerning state and local administration.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fourteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 4 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED BY ADDING A NEW SECTION TO READ AS FOLLOWS: **Section 31. (a) This section does not apply to the funding of a permissive program or to expenditures that are incidental to a law and that have been declared to be incidental in the body of the bill enacting the law.**

(b) As used in this section, "municipal corporation" means a county, city, town, township, or any other separate local governmental entity that may sue and be sued.

(c) A mandatory law enacted by the general assembly after January 1, 2008, that results in increased expenditures for a municipal corporation is not effective unless the general assembly either appropriates money to fund the increased expenditures or provides a means for the municipal corporation to raise the money necessary to fund the increased expenditures.

(d) The general assembly shall implement this section by law and shall provide a similar method of control for administrative actions by state agencies that affect municipal corporations.

HJR 15 — Bauer, Porter, Kersey (Judiciary)

A JOINT RESOLUTION proposing an amendment to Article 8 of the Indiana Constitution concerning education finance.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fourteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 8, SECTION 2 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 2. **The Common School Early Learning Trust Fund shall consist of the following:**

(1) The Congressional Township fund, and the lands belonging thereto.

(2) The Surplus Revenue fund.

(3) The Saline fund and the lands belonging thereto.

(4) The Bank Tax fund and the fund arising from the one hundred and fourteenth section of the charter of the State Bank of Indiana.

(5) The fund to be derived from the sale of County Seminaries and the moneys and property heretofore held for such Seminaries; from the fines assessed for breaches of the penal laws of the State; and from all forfeitures which may accrue.

(6) All lands and other estate which shall escheat to the State, for want of heirs or kindred entitled to the inheritance.

(7) All lands that have been, or may hereafter be, granted to the State, where no special purpose is expressed in the grant, and the proceeds of the sales thereof; including the proceeds of the sales of the Swamp Lands, granted to the State of Indiana by the act of Congress of the twenty eighth of September, eighteen

hundred and fifty, after deducting the expense of selecting and draining the same.

(8) Taxes on the property of corporations, that may be assessed by the General Assembly for ~~common school~~ **Early Learning Trust Fund** purposes.

(9) **All funds that were held in or repayable to the Common School Fund before the establishment of the Early Learning Trust Fund.**

(10) **Such other funds as may be appropriated to the Early Learning Trust Fund by the General Assembly or received as gifts.**

SECTION 3. ARTICLE 8, SECTION 3 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 3. The principal of the ~~Common School Early Learning Trust Fund shall remain a perpetual fund, which may be increased, but shall never be diminished; and the income thereof shall be inviolably appropriated to the support of Common Schools, educational programs for children in kindergarten and pre-kindergarten and to no other purpose whatever.~~

SECTION 4. ARTICLE 8, SECTION 4 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 4. The General Assembly shall invest **the Early Learning Trust Fund** in some safe and profitable manner ~~all such portions of the Common School fund, as have not heretofore been entrusted to the several counties; and shall make provision, by law, for the distribution among the several counties, of the interest thereof;~~ **principal of and income on the Early Learning Trust Fund for educational programs for children in kindergarten and pre-kindergarten.**

SECTION 5. THE FOLLOWING ARE REPEALED: ARTICLE 8, SECTION 5 OF THE CONSTITUTION OF THE STATE OF INDIANA; ARTICLE 8, SECTION 6 OF THE CONSTITUTION OF THE STATE OF INDIANA; ARTICLE 8, SECTION 7 OF THE CONSTITUTION OF THE STATE OF INDIANA.

HJR 16 — Borders (Judiciary)

A JOINT RESOLUTION proposing an amendment to Article 10 of the Indiana Constitution concerning taxation.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fourteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 10 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED BY ADDING A NEW SECTION TO READ AS FOLLOWS: **Section 9. Except as necessary to maintain the public safety during an invasion or a rebellion, a law imposing a new state tax or increasing an existing state tax is effective only after a majority of the voters voting on the question in a statewide general election approve the law.**

HJR 17 — Borders, T. Adams (Judiciary)

A JOINT RESOLUTION proposing an amendment to Articles 4 and 5 of the Indiana Constitution concerning taxation.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fourteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 4, SECTION 25 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 25. (a) **Except as provided in subsection (b),** a majority of all the members elected to each House shall be necessary to pass every bill or joint resolution; and all bills and joint resolutions so passed shall be signed by the Presiding Officers of the respective Houses.

(b) **A bill that increases state tax rates or establishes a new state tax may not become law unless:**

(1) **two-thirds (2/3) of all the members elected to each**

House:

(A) **declare that an emergency exists; and**

(B) **vote to approve the bill; or**

(2) **a majority of the persons voting in a statewide election approve the tax increase or new tax.**

SECTION 3. ARTICLE 5, SECTION 14 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 14. (a) Every bill which shall have passed the General Assembly shall be presented to the Governor. The Governor shall have seven days after the day of presentment to act upon such bill as follows:

(1) He may sign it, in which event it shall become a law.

(2) He may veto it:

(A) In the event of a veto while the General Assembly is in session, he shall return such bill, with his objections, within seven days of presentment, to the House in which it originated. If the Governor does not return the bill within seven days of presentment, the bill becomes a law notwithstanding the veto.

(B) If the Governor returns the bill under clause (A), the House in which the bill originated shall enter the Governor's objections at large upon its journals and proceed to reconsider and vote upon whether to approve the bill. The bill must be reconsidered and voted upon within the time set out in clause (C). If, after such reconsideration and vote, a majority of all the members elected to that House shall approve the bill, it shall be sent, with the Governor's objections, to the other House, by which it shall likewise be reconsidered and voted upon, and, if approved by a majority of all the members elected to that House, it shall be a law.

(C) If the Governor returns the bill under clause (A), the General Assembly shall reconsider and vote upon the approval of the bill before the final adjournment of the next regular session of the General Assembly that follows the regular or special session in which the bill was originally passed. If the House in which the bill originated does not approve the bill under clause (B), the other House is not required to reconsider and vote upon the approval of the bill. If, after voting, either House fails to approve the bill within this time, the veto is sustained.

(D) In the event of a veto after final adjournment of a session of the General Assembly, such bill shall be returned by the Governor to the House in which it originated on the first day that the General Assembly is in session after such adjournment, which House shall proceed in the same manner as with a bill vetoed before adjournment. The bill must be reconsidered and voted upon within the time set out in clause (C). If such bill is not so returned, it shall be a law notwithstanding such veto.

(3) He may refuse to sign or veto such bill in which event it shall become a law without his signature on the eighth day after presentment to the Governor.

(b) Every bill presented to the Governor which is signed by him or on which he fails to act within said seven days after presentment shall be filed with the Secretary of State within ten days of presentment. The failure to so file shall not prevent such a bill from becoming a law.

(c) In the event a bill is passed over the Governor's veto, such bill shall be filed with the Secretary of State without further presentment to the Governor, provided that, in the event of such passage over the Governor's veto in the next succeeding General Assembly, the passage shall be deemed to have been the action of the General Assembly which initially passed such bill.

(d) **Notwithstanding subsection (a), a bill that increases state tax rates or establishes a new state tax does not become law over the veto of the Governor unless two-thirds (2/3) of all the members elected to each House approve the bill after reconsideration.**

HJR 18 — Thomas (Judiciary)

A JOINT RESOLUTION proposing an amendment to Article 4 of the Indiana Constitution concerning the general assembly.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fourteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 4, SECTION 28 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 28. ~~No (a) An act shall may not~~ take effect until the ~~same shall have act has~~ been published and circulated in the several counties of ~~the State, Indiana~~, by authority, except in case of emergency, which emergency shall be declared in the preamble, or in the body, of the ~~law, act~~.

(b) The General Assembly may provide in the body of an act that the act does not take effect unless approved by a majority of the voters of Indiana who vote on the question.

RESOLUTIONS ON FIRST READING

House Concurrent Resolution 4

Representatives Micon and Grubb introduced House Concurrent Resolution 4:

A CONCURRENT RESOLUTION memorializing Corporal Bryan Wilson.

Whereas, Corporal Bryan Wilson, 22, of Independence, Indiana, died on December 3, 2004, when his Humvee overturned during a combat mission in Iraq;

Whereas, Corporal Wilson was the 34th member of the military from Indiana to die in the Middle East since February 2003;

Whereas, Corporal Wilson, who enlisted in the Marines after high school and was a member of the 2nd Battalion, 11th Marine Regiment, 1st Marine Division, I Marine Expeditionary Force, Camp Pendleton, California, had recently reenlisted for another four years in the Marine Corps;

Whereas, Corporal Wilson believed in freedom and was determined to serve his country;

Whereas, Corporal Wilson, a 2001 graduate of Seeger Memorial High School in Warren County, west of Lafayette, is survived by his wife, Samantha, and his 20-month-old daughter, Breanne; and

Whereas, Corporal Wilson was a devoted husband and father as well as a loving son. These qualities endeared him to all who knew him. He will be greatly missed by his family, his friends, and the citizens of Indiana: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana,
the Senate concurring:*

SECTION 1. The people of Indiana wish to join with the friends and fellow servicemen and servicewomen of Corporal Bryan Wilson and extend to his family sincere and heartfelt sympathy in this time of loss.

SECTION 2. Corporal Wilson has given his country the greatest gift there is—his life. His sacrifice will be remembered forever, and his courage will be held up as an example for others. He is truly an American hero.

SECTION 3. That the Principal Clerk of the House of Representatives transmit copies of this resolution to Corporal Wilson's wife, Samantha; his daughter, Breanne; his parents, Charles and Brenda Wilson; and his brothers, Lonnie and Adam.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Skinner and Harrison.

Senate Concurrent Resolution 18

The Speaker handed down Senate Concurrent Resolution 18, sponsored by Representatives Lehe and Kuzman:

A CONCURRENT RESOLUTION commemorating the 50th Anniversary of the Boys & Girls Clubs of Northwest Indiana.

Whereas, The Boys & Girls Clubs of Northwest Indiana were founded as the Steel City Club in Gary in 1954;

Whereas, The Boys & Girls Clubs of Northwest Indiana serve more than 13,000 youth in the communities of Cedar Lake, East Chicago, Gary, Hammond, and Lake Station;

Whereas, The Boys & Girls Clubs of Northwest Indiana provide programming for character and leadership development, education and career development, health and life skills, the arts, and sports, fitness, and recreation; and

Whereas, The Boys & Girls Clubs of Northwest Indiana plan to serve an even greater number of children in the future: Therefore,

*Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly recognizes the important services and programs the Boys & Girls Clubs of Northwest Indiana provide to the youth of the region and celebrates the 50th Anniversary of this outstanding organization.

SECTION 2. The Secretary of the Senate is directed to transmit a copy of this resolution to Lincoln Ellis and the Board of Directors of the Boys & Girls Clubs of Northwest Indiana.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Senate Concurrent Resolution 19

The Speaker handed down Senate Concurrent Resolution 19, sponsored by Representatives Lehe and Kuzman:

A CONCURRENT RESOLUTION recognizing the 60th Anniversary of the Lake County Soil & Water Conservation District.

Whereas, The mission of the Lake County Soil & Water Conservation District is to provide leadership and assistance in the proper use and management of soil, water, and related natural resources;

Whereas, The Lake County Soil & Water Conservation District provides conservation education programs through field days, educational meetings, workshops, and tours;

Whereas, The Lake County Soil & Water Conservation District provides assistance through the cooperation of the Natural Resource Conservation Service, Farm Service Agency, Indiana Department of Natural Resources Division of Soil Conservation, Cooperative Extension Service, Lake County Council, and Affiliate Members of the Lake County Soil & Water Conservation District; and

Whereas, The Lake County Soil & Water Conservation District has provided many hours of instruction to countless school children in Lake County: Therefore,

*Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly recognizes the 60th Anniversary of the Lake County Soil & Water Conservation District.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to Phyllis Reeder, Administrator of the Lake County Soil & Water Conservation District.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Senate Concurrent Resolution 22

The Speaker handed down Senate Concurrent Resolution 22, sponsored by Representatives Ulmer, Walorski, Wolkins, and Stutzman:

A CONCURRENT RESOLUTION honoring Dawn Wilfong for winning the World Championship title in the 16th Annual International Auctioneers Championship.

Whereas, Dawn Wilfong first started working in the auction business as a clerk for the Shipshewana Auction in 1997;

Whereas, Then in 1998, Dawn decided to further her involvement

in the auction business by completing the necessary training requirements to obtain her license as an auctioneer;

Whereas, In November 2003, Dawn Wilfong became the first female to be named Indiana's Champion Auctioneer;

Whereas, In July 2004, Dawn competed against eighty-four of the best callers from around the world at the 55th Annual International Auctioneer Conference in Madison, Wisconsin;

Whereas, Participants were judged on the clarity, speed and rhythm of their chant, in addition to their poise, appearance, body language and eye contact with the crowd during competition auctions and interview questions;

Whereas, Dawn outperformed the competition to win the title of World Champion in the 16th Annual International Auctioneers Championship; and

Whereas, Dawn will serve as Ambassador, making numerous appearances throughout he year on behalf of the National Auctioneers Association, including the distinguished opportunity to call bids for the St. Jude's Children's Hospital's Charity Auction: Therefore,

*Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly recognizes and congratulates the achievements of Dawn Wilfong.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to Dawn R. Wilfong.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Representative Denbo was excused for the rest of the day. Representative Buell, who had been excused, was present.

HOUSE BILLS ON SECOND READING

House Bill 1142

Representative T. Brown called down House Bill 1142 for second reading. The bill was read a second time by title.

HOUSE MOTION (Amendment 1142-1)

Mr. Speaker: I move that House Bill 1142 be amended to read as follows:

Page 4, after line 17, begin a new paragraph and insert:

"(c) A Medicaid applicant or recipient who makes an irrevocable election under subsection (a)(1) or an assignment under subsection (a)(2) is entitled to the part of the value of the life insurance policy equal to the positive difference, if any, between:

(1) the value of the policy at the time of the irrevocable election or assignment; and

(2) the value of the policy at the time the proceeds of the policy are distributed.

(d) The amount of the value of a life insurance policy to which an applicant or recipient is entitled under subsection (c):

(1) becomes part of the estate of the applicant or the recipient;

(2) is not recoverable by the office; and

(3) may not be considered a resource in determining Medicaid eligibility for the applicant or the recipient."

(Reference is to HB 1142 as printed January 20, 2005.)

T. BROWN

Motion prevailed. The bill was ordered engrossed.

ENGROSSED HOUSE BILLS ON THIRD READING

Engrossed House Joint Resolution 4

Representative Ulmer called down Engrossed House Joint Resolution 4 for third reading:

A JOINT RESOLUTION proposing an amendment to Article 1 of the Indiana Constitution concerning the bill of rights.

The joint resolution was read a third time by sections and placed upon its passage. The question was, Shall the joint resolution pass?

Roll Call 40: yeas 83, nays 15. The joint resolution was declared passed. The question was, Shall the title of the joint resolution remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the joint resolution. Senate sponsors: Senators Steele, Weatherwax, Nugent, and Bray.

Engrossed House Bill 1329

Representative Becker called down Engrossed House Bill 1329 for third reading:

A BILL FOR AN ACT concerning state offices and administration.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 41: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Server and L. Lutz.

Engrossed House Bill 1262

Representative Kuzman called down Engrossed House Bill 1262 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning civil law and procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 42: yeas 63, nays 33. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Bray and Simpson.

Engrossed House Bill 1248

Representative Grubb called down Engrossed House Bill 1248 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 43: yeas 88, nays 8. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Bray, Skinner, and Dillon.

Representative Espich was excused for the rest of the day.

Engrossed House Bill 1240

Representative Becker called down Engrossed House Bill 1240 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 44: yeas 91, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Miller and Server.

Engrossed House Bill 1182

Representative Leonard called down Engrossed House Bill 1182 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 45: yeas 93, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Dillon and Ford.

Engrossed House Bill 1097

Representative Borrer called down Engrossed House Bill 1097 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Representative Saunders was excused from voting. Roll Call 46: yeas 92, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Ford.

Engrossed House Bill 1075

Representative Torr called down Engrossed House Bill 1075 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Representatives Borders and Murphy was excused from voting. Roll Call 47: yeas 76, nays 14. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Miller, Simpson, and Paul.

Engrossed House Bill 1069

Representative Hinkle called down Engrossed House Bill 1069 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 48: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators M. Young, Server, Miller, and Clark.

Engrossed House Bill 1051

Representative Borrer called down Engrossed House Bill 1051 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 49: yeas 93, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor to be announced.

Engrossed House Bill 1022

Representative Koch called down Engrossed House Bill 1022 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning military bases.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 50: yeas 91, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Steele, Hume, Wyss, and Ford.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1028, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

BECKER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1059, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, delete "may not".

Page 1, line 5, strike "be used for the destruction or treatment of a chemical".

Page 1, line 6, strike "munition".

Page 1, delete line 7.

Page 1, line 8, delete "unless" and insert "**that generates or treats a hazardous waste classified as I001 must demonstrate**".

Page 1, line 8, delete "have been demonstrated:" and insert ":".

Page 2, line 1, delete "chemical munition processed is".

Page 2, delete line 2.

Page 2, line 3, delete "analytical method" and insert "**waste has been treated in such a way that designated chemical munition constituents are treated to a specific level as**".

Page 2, line 36, after "department" insert ", state police department, and state emergency management agency".

Page 3, line 12, after "licensed;" delete "and".

Page 3, line 19, delete "area." and insert "**area; and**".

Page 3, between lines 19 and 20, begin a new line double block indented and insert:

"(D) provides for submitting notice to the department before the first shipment of each particular chemical munition or hazardous waste described in subsection (a) is transported.

(d) A notice submitted under the transport safety plan provision described in subsection (b)(2)(D) must include the estimated shipment schedule for each chemical munition or hazardous waste for the duration of the transport activity. A person who transports a chemical munition or hazardous waste described in subsection (a) shall immediately notify the department of any major variations from the estimated shipment schedule provided under this subsection."

(Reference is to HB 1059 as introduced.)
and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

WOLKINS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1098, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 12, nays 0.

BECKER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1179, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning financial institutions.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 24-4.5-1-102 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 102. Purposes; Rules of Construction—(1) This article shall be liberally construed and applied to promote its underlying purposes and policies.

(2) The underlying purposes and policies of this article are:

- (a) to simplify, clarify, and modernize the law governing retail installment sales, consumer credit, small loans, and usury;
- (b) to provide rate ceilings to assure an adequate supply of credit to consumers;
- (c) to further consumer understanding of the terms of credit transactions and to foster competition among suppliers of consumer credit so that consumers may obtain credit at reasonable cost;
- (d) to protect consumer buyers, lessees, and borrowers against unfair practices by some suppliers of consumer credit, having due regard for the interests of legitimate and scrupulous creditors;
- (e) to permit and encourage the development of fair and economically sound consumer credit practices;
- (f) to conform the regulation of consumer credit transactions to the policies of the Federal Consumer Credit Protection Act; and
- (g) to make uniform the law including administrative rules among the various jurisdictions.

(3) A reference to a requirement imposed by this article includes reference to a related rule of the department adopted pursuant to this article.

(4) A reference to a federal law in IC 24-4.5 is a reference to the law in effect December 31, ~~2003~~: **2004**.

SECTION 2. IC 24-4.5-4-107 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 107. Maximum Charge by Creditor for Insurance - (1) Except as provided in subsection (2), if a creditor contracts for or receives a separate charge for insurance, the amount charged to the debtor for the insurance may not exceed the premium to be charged by the insurer, as computed at the time the charge to the debtor is determined, conforming to any rate filings required by law and made by the insurer with the Insurance Commissioner.

(2) A creditor who provides consumer credit insurance in relation to a revolving charge account (IC 24-4.5-2-108) or revolving loan account (IC 24-4.5-3-108) may calculate the charge to the debtor in each billing cycle by applying the current premium rate to:

- (a) the average daily unpaid balance of the debt in the cycle;
- (b) the unpaid balance of the debt or a median amount within a specified range of unpaid balances of debt on approximately the same day of the cycle. The day of the cycle need not be the day used in calculating the credit service charge (IC 24-4.5-2-207) or loan finance charge (IC 24-4.5-3-201 and IC 24-4.5-3-508), but the specified range shall be the range used for that purpose; **or**
- (c) the unpaid balances of principal calculated according to the actuarial method; **or**

(d) the amount of the insurance benefit for the cycle.

SECTION 3. IC 24-4.5-7-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. (1) Finance charges on the first two hundred fifty dollars (\$250) of a small loan are limited to fifteen percent (15%) of the principal.

(2) Finance charges on the amount of a small loan greater than two hundred fifty dollars (\$250) and less than or equal to four hundred dollars (\$400) are limited to thirteen percent (13%) of the amount over two hundred fifty dollars (\$250) and less than **or equal to** four hundred dollars (\$400).

(3) Finance charges on the amount of the small loan greater than four hundred dollars (\$400) and less than or equal to five hundred dollars (\$500) are limited to ten percent (10%) of the amount over

four hundred dollars (\$400) and less than **or equal to** five hundred dollars (\$500).

SECTION 4. IC 28-1-13-1.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.8. (a) Loans and extensions of credit secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than one hundred fifteen percent (115%) of the face amount of the note covered are subject under this section, notwithstanding the collateral requirements set forth in section ~~1-2~~ **1.5(b)** of this chapter, to a maximum limitation equal to twenty-five percent (25%) of the capital and surplus.

(b) Loans and extensions of credit that arise from the discount by dealers in dairy cattle of paper given in payment for dairy cattle, which paper carries a full recourse endorsement or unconditional guarantee of the seller and that are secured by the cattle being sold, are subject under this section, notwithstanding the collateral requirements set forth in section ~~1-2~~ **1.5(b)** of this chapter, to a limitation of twenty-five percent (25%) of the capital and surplus.

SECTION 5. IC 28-1-18.2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) For purposes of this section, a bank or trust company that is not a member of the Federal Reserve System is subject to Sections 23A and 23B of the Federal Reserve Act (12 U.S.C. 371c or 371c-1) **and Federal Reserve Regulation W (12 CFR 223)**, to the same extent and in the same manner as though it were a member of the Federal Reserve System.

(b) A violation of Section 23A or 23B of the Federal Reserve Act (12 U.S.C. 371c or 371c-1) **or Federal Reserve Regulation W (12 CFR 223)**, by a bank or trust company or a subsidiary of either constitutes a violation of this section.

SECTION 6. IC 28-5-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) As used in this section:

"Automated teller facility" means electronic or mechanical equipment that performs routine transactions for the public at locations off premises of the principal office or branch office of a company that holds a certificate to engage in business under this chapter and that is authorized to issue, negotiate, and sell certificates of investment or indebtedness.

"Branch" means any office, agency, mobile unit, messenger service, or other place of business at which:

- (1) payments into certificates of investment or indebtedness are received;
- (2) checks, negotiable or transferable instruments or orders, or similar instruments are paid; or
- (3) money is lent.

However, the term does not include the principal office of a company or an automated teller facility.

"Financial institution" has the same meaning as in IC 28-1-1-3.

(b) Any domestic corporation organized under the general corporation laws of Indiana may engage in business as an industrial loan and investment company subject to the limitations and restrictions set forth in this chapter. The department may issue a certificate authorizing a corporation to engage in business under this chapter **if after the department determines after a hearing that a public necessity exists in the particular city for the type of industrial loan and investment company for which application is made.** However, no certificate may be issued to engage in business under this chapter in a city having a population of less than thirty thousand (30,000) inhabitants; and with respect to cities having a population of thirty thousand (30,000) or more inhabitants, not more than one (1) certificate may be issued for each thirty thousand (30,000) inhabitants **of the city: considers and investigates all the following:**

- (1) The financial standing and character of the incorporators, organizers, directors, principal shareholders, or controlling corporations.
- (2) The character, qualifications, and experience of the officers and directors of the corporation.
- (3) The future earnings prospects for the proposed corporation in the community in which the corporation will be located.
- (4) The adequacy of the corporation's capital.

If the department determines any of the factors described in subdivisions (1) through (4) unfavorably, the department may not issue a certificate authorizing the corporation to engage in business under this chapter. Certificates issued under this section must state whether the corporation is authorized to issue, negotiate, and sell certificates of investment or indebtedness, and, if not, must provide that the corporation may do business under this article only as restricted by section 21 of this chapter.

(c) Any company that is authorized to issue, negotiate, and sell certificates of investment or indebtedness and that holds a certificate to engage in business under this chapter is entitled to establish one (1) or more branches de novo and one (1) or more branches by acquisition in any location or locations within Indiana, at which any business of the company may be transacted to the same extent as at the principal office of the company.

(d) As a condition to the establishment and operation of a branch or branches under this section, the company must:

- (1) obtain prior written approval of the department;
- (2) operate each branch under the correct name of the company and its name must contain in addition the word "branch"; and
- (3) demonstrate that the applicant company will have adequate capital, sound management, and adequate future earnings prospects after the establishment of the branch.

(e) The location of **the principal office** or any branch established under this section may be changed at any time when authorized by the board of directors of the company and approved by the department.

(f) Any company desiring to open or establish one (1) or more branches or change location of an existing branch **or the principal office** must file a written application therefor, in such form and containing such information as may be prescribed by the department. If the department determines that the requirements of subsection (d) have been satisfied, the department may in its discretion approve the application.

(g) A company is entitled to open or establish an automated teller facility in any location within Indiana or as permitted by the laws of the state in which the automated teller machine is to be located. An automated teller facility may be owned or operated individually by any company or jointly on a cost sharing or fee basis.

(h) A branch by acquisition may be established under this section only if done in compliance with applicable provisions of IC 28-1-7 or IC 28-1-8.

(i) A company that is authorized to issue, negotiate, and sell certificates of investment or indebtedness and that holds a certificate to engage in business under this chapter is entitled to establish one (1) or more branches de novo and one (1) or more branches by acquisition in any location outside Indiana. Any business of the company may be transacted at a branch established under this subsection to the same extent as at the principal office of the company, subject to IC 28-2-18-19.

SECTION 7. IC 28-6.1-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) Loans and extensions of credit secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than one hundred fifteen percent (115%) of the face amount of the note covered are subject to a maximum limitation equal to twenty-five percent (25%) of the capital and surplus, notwithstanding the collateral requirements of section 2 **5(b)** of this chapter.

(b) Loans and extensions of credit that arise from the discount by dealers in dairy cattle of paper given in payment for dairy cattle, which paper carries a full recourse endorsement or unconditional guarantee of the seller and that are secured by the cattle being sold, are subject to a limitation of twenty-five percent (25%) of the capital and surplus, notwithstanding the collateral requirements of section 2 **5(b)** of this chapter.

SECTION 8. IC 28-7-1-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 0.5. The following definitions apply throughout this chapter:

- (1) "Automated teller machine" (ATM) means a piece of unmanned electronic or mechanical equipment that performs routine financial transactions for authorized individuals.
- (2) "Branch office" means an office, agency, or other place of

business at which deposits are received, share drafts are paid, or money is lent to members of a credit union. The term does not include:

- (A) the principal office of a credit union;
- (B) the principal office of a credit union affiliate;
- (C) a branch office of a credit union affiliate;
- (D) an automated teller machine; or
- (E) a night depository.

(3) "Credit union" is a cooperative, nonprofit association, incorporated under this chapter, for the purposes of educating its members in the concepts of thrift and to encourage savings among its members. A credit union should provide a source of credit at a fair and reasonable rate of interest and provide an opportunity for its members to use and control their own money in order to improve their economic and social condition.

(4) "Department" refers to the department of financial institutions.

(5) "Surplus" means the credit balance of undivided earnings after losses. The term does not include statutory reserves.

(6) "Unimpaired shares" means paid in shares less any losses for which no reserve exists and for which there is no charge against undivided earnings.

(7) "Related credit union service organization" means, in reference to a credit union, a credit union service organization in which the credit union has invested under section 9(4)(J) of this chapter.

(8) "Premises" means any office, branch office, suboffice, service center, parking lot, real estate, or other facility where the credit union transacts or will transact business.

(9) "Furniture, fixtures, and equipment" means office furnishings, office machines, computer hardware, computer software, automated terminals, and heating and cooling equipment.

(10) "Fixed assets" means:

- (A) premises; and
- (B) furniture, fixtures, and equipment.

(11) "Audit period" means a twelve (12) month period designated by the board of directors of a credit union.

(12) "Community" means:

- (A) a second class city;
- (B) a third class city;
- (C) a town;
- (D) a county other than a county containing a consolidated city;
- (E) a census tract;
- (F) a township; or
- (G) any other municipal corporation (as defined in IC 36-1-2-10).

(13) "Control of a related interest" refers to a situation in which an individual directly or indirectly, or through or in concert with one (1) or more other individuals, possesses any of the following:

(A) The ownership of, control of, or power to vote at least twenty-five percent (25%) of any class of voting securities of the related interest.

(B) The control in any manner of the election of a majority of the directors of the related interest.

(C) The power to exercise a controlling influence over the management or policies of the related interest. For purposes of this clause, an individual is presumed to have control, including the power to exercise a controlling influence over the management or policies of a related interest, if the individual:

- (i) is an executive officer or a director of the related interest and directly or indirectly owns, controls, or has the power to vote more than ten percent (10%) of any class of voting securities of the related interest; or**
- (ii) directly or indirectly owns, controls, or has the power to vote more than ten percent (10%) of any class of voting securities of the related interest and no other person owns, controls, or has the power to vote a greater percentage of that class of voting securities.**

(14) "Executive officer" includes any of the following

officers of a credit union:

- (A) The chairman of the board of directors.
- (B) The president.
- (C) A vice president.
- (D) The cashier.
- (E) The secretary.
- (F) The treasurer.

(15) "Immediate family" means the spouse of an individual, the individual's minor children, and any of the individual's children, including adults, residing in the individual's home.

(16) "Officer" means any individual who participates or has the authority to participate in major policymaking functions of a credit union, regardless of whether:

- (A) the individual has an official title;
- (B) the individual's title designates the individual as an assistant; or
- (C) the individual is serving without salary or other compensation.

(17) "Related interest", with respect to an individual, means:

- (A) a partnership, a corporation, or another business organization that is controlled by the individual; or
- (B) a political campaign committee:
 - (i) controlled by the individual; or
 - (ii) the funds or services of which benefit the individual.

(18) "Unimpaired capital and unimpaired surplus" means the sum of:

- (A) undivided profits;
- (B) reserve for contingencies;
- (C) regular reserve; and
- (D) allowance for loan and lease losses.

SECTION 9. IC 28-7-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The use of any name or title ~~which that~~ contains the words "credit union", or that means "credit union" in any language, is unlawful unless the name is used by:

- (1) a corporation authorized to use the words "credit union" under Indiana or United States law; or
- (2) the Indiana Credit Union League, Inc., and its affiliates.

(b) The department is authorized to exercise the powers under IC 28-11-4 against a person, firm, limited liability company, or corporation that improperly holds itself out as a credit union.

(c) A person, firm, limited liability company, or corporation that violates this section is subject to a penalty of five hundred dollars (\$500) per day for each day during which the violation continues. The penalty imposed shall be recovered in the name of the state on relation of the department and, when recovered, shall be paid into the financial institutions fund established by IC 28-11-2-9.

SECTION 10. IC 28-7-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. A credit union has the following powers:

- (1) To issue shares of its capital stock to its members. No commission or compensation shall be paid for securing members or for the sale of shares.

~~(2) To make loans to members or other credit unions: A loan to another credit union may not exceed twenty percent (20%) of the paid-in capital and surplus of the credit union making the loan.~~

~~(3) (2) To make loans to officers, directors, or committee members but only if:~~

- ~~(A) the loan complies with all requirements under this chapter with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers;~~
- ~~(B) upon the making of the loan, the aggregate amount of loans outstanding under this subdivision will not exceed twenty percent (20%) of the unimpaired capital and surplus of the credit union;~~
- ~~(C) the loan is approved by the credit committee or loan officer; and~~
- ~~(D) the borrower takes no part in the consideration of or vote~~

~~on the application, under section 17.1 of this chapter.~~

~~(4) (3) To invest in any of the following:~~

~~(A) Bonds, notes, or certificates that are the direct or indirect obligations of the United States, or of the state, or the direct obligations of a county, township, city, town, or other taxing district or municipality or instrumentality of Indiana and that are not in default.~~

~~(B) Bonds or debentures issued by the Federal Home Loan Bank Act (12 U.S.C. 1421 through 1449) or the Home Owners' Loan Act (12 U.S.C. 1461 through 1468).~~

~~(C) Interest-bearing obligations of the FSLIC Resolution Fund and obligations of national mortgage associations issued under the authority of the National Housing Act.~~

~~(D) Mortgages on real estate situated in Indiana which are fully insured under Title 2 of the National Housing Act (12 U.S.C. 1707 through 1715z).~~

~~(E) Obligations issued by farm credit banks and banks for cooperatives under the Farm Credit Act of 1971 (12 U.S.C. 2001 through 2279aa-14).~~

~~(F) In savings and loan associations, other credit unions that are insured under IC 28-7-1-31.5, and certificates of indebtedness or investment of an industrial loan and investment company if the association or company is federally insured. Not more than twenty percent (20%) of the assets of a credit union may be invested in the shares or certificates of an association or company; nor more than forty percent (40%) in all such associations and companies.~~

~~(G) Corporate credit unions.~~

~~(H) Federal funds or similar types of daily funds transactions with other financial institutions.~~

~~(I) Mutual funds created and controlled by credit unions, credit union associations, or their subsidiaries. Mutual funds referred to in this clause may invest only in instruments that are approved for credit union purchase under this chapter.~~

~~(J) Shares, stocks, or obligations of any credit union service organization (as defined in Section 712 of the Rules and Regulations of the National Credit Union Administration) with the approval of the department. Not more than five percent (5%) of the total paid in and unimpaired capital of the credit union may be invested under this clause.~~

~~(5) (4) To deposit its funds into:~~

- ~~(A) depository institutions that are federally insured; or~~
- ~~(B) state chartered credit unions that are privately insured by an insurer approved by the department.~~

~~(6) (5) To purchase, hold, own, or convey real estate as may be conveyed to the credit union in satisfaction of debts previously contracted or in exchange for real estate conveyed to the credit union.~~

~~(7) (6) To own, hold, or convey real estate as may be purchased by the credit union upon judgment in its favor or decrees of foreclosure upon mortgages.~~

~~(8) (7) To issue shares of stock and upon the terms, conditions, limitations, and restrictions and with the relative rights as may be stated in the bylaws of the credit union, but no stock may have preference or priority over the other to share in the assets of the credit union upon liquidation or dissolution or for the payment of dividends except as to the amount of the dividends and the time for the payment of the dividends as provided in the bylaws.~~

~~(9) (8) To charge the member's share account for the actual cost of necessary locator service when the member has failed to keep the credit union informed about the member's current address. The charge shall be made only for amounts paid to a person or concern normally engaged in providing such service, and shall be made against the account or accounts of any one (1) member not more than once in any twelve (12) month period.~~

~~(10) (9) To transfer to an accounts payable, a dormant account, or a special account share accounts which have been inactive, except for dividend credits, for a period of two (2) years. The credit union shall not consider the payment of dividends on the transferred account.~~

~~(11) (10) To invest in fixed assets with the funds of the credit union. An investment in fixed assets in excess of five percent~~

(5%) of its assets is subject to the approval of the department.

~~(12)~~ (11) To establish branch offices, upon approval of the department, provided that all books of account shall be maintained at the principal office.

~~(13)~~ (12) To pay an interest refund on loans proportionate to the interest paid during the dividend period by borrowers who are members at the end of the dividend period.

~~(14)~~ (13) To purchase life savings and loan protection insurance for the benefit of the credit union and its members, if:

(A) the coverage is placed with an insurance company licensed to do business in Indiana; and

(B) no officer, director, or employee of the credit union personally benefits, directly or indirectly, from the sale or purchase of the coverage.

~~(15)~~ (14) To sell and cash negotiable checks, travelers checks, and money orders for members.

~~(16)~~ (15) To purchase members' notes from any liquidating credit union, with written approval from the department, at prices agreed upon by the boards of directors of both the liquidating and the purchasing credit unions. However, the aggregate of the unpaid balances of all notes of liquidating credit unions purchased by any one (1) credit union shall not exceed ten percent (10%) of its unimpaired capital and surplus unless special written authorization has been granted by the department.

~~(17)~~ (16) To exercise such incidental powers necessary or requisite to enable it to carry on effectively the business for which it is incorporated.

~~(18)~~ (17) To act as a custodian or trustee of any trust created or organized in the United States and forming part of a ~~stock bonus, pension, or profit sharing tax advantaged savings~~ plan which qualifies or qualified for specific tax treatment under Section ~~408(a) or 223, Section 401(d), 408, 408A, or 530~~ of the Internal Revenue Code, if the funds of the trust are invested only in share accounts or insured certificates of the credit union.

~~(19)~~ (18) To issue shares of its capital stock or insured certificates to a trustee or custodian of a pension plan, profit sharing plan, or stock bonus plan which qualifies for specific tax treatment under Sections 401(d) or 408(a) of the Internal Revenue Code.

~~(20)~~ (19) A credit union may exercise any rights and privileges that are:

(A) granted to federal credit unions; but

(B) not authorized for credit unions under the Indiana Code (except for this section) or any rule adopted under the Indiana Code;

if the credit union complies with section 9.2 of this chapter.

~~(21)~~ (20) To sell, pledge, or discount any of its assets. However, a credit union may not pledge any of its assets as security for the safekeeping and prompt payment of any money deposited, except that a credit union may, for the safekeeping and prompt payment of money deposited, give security as authorized by federal law.

~~(22)~~ (21) To purchase assets of another credit union and to assume the liabilities of the selling credit union.

~~(23)~~ (22) To act as a fiscal agent of the United States and to receive deposits from nonmember units of the federal, state, or county governments, from political subdivisions, and from other credit unions upon which the credit union may pay varying interest rates at varying maturities subject to terms, rates, and conditions that are established by the board of directors. However, the total amount of public funds received from units of state and county governments and political subdivisions that a credit union may have on deposit may not exceed twenty percent (20%) of the total assets of that credit union, excluding those public funds.

~~(24)~~ (23) To join the National Credit Union Administration Central Liquidity Facility.

~~(25)~~ (24) To participate in community investment initiatives under the administration of organizations:

(A) exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; and

(B) located or conducting activities in communities in which

the credit union does business.

Participation may be in the form of either charitable contributions or participation loans. In either case, disbursement of funds through the administering organization is not required to be limited to members of the credit union. Total contributions or participation loans may not exceed one tenth of one percent (0.001) of total assets of the credit union. A recipient of a contribution or loan is not considered qualified for credit union membership. A contribution or participation loan made under this subdivision must be approved by the board of directors.

~~(26)~~ (25) To establish and operate an automated teller machine (ATM):

(A) at any location within Indiana; or

(B) as permitted by the laws of the state in which the automated teller machine is to be located.

~~(27)~~ (26) To demand and receive, for the faithful performance and discharge of services performed under the powers vested in the credit union by this article:

(A) reasonable compensation, or compensation as fixed by agreement of the parties;

(B) all advances necessarily paid out and expended in the discharge and performance of its duties; and

(C) unless otherwise agreed upon, interest at the legal rate on the advances referred to in clause (B).

~~(28)~~ (27) Subject to any restrictions the department may impose, to become the owner or lessor of personal property acquired upon the request and for the use of a member and to incur additional obligations as may be incident to becoming an owner or lessor of such property.

SECTION 11. IC 28-7-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. Each credit union shall make a call report of its condition to the department, at least ~~semiannually, on or before January 31 and July 31 of each year,~~ **quarterly** on forms approved by the director. Reports in addition to the regular reports may be required. A credit union that fails to comply with this section may be required by the department to pay a civil penalty of one hundred dollars (\$100) for each day of noncompliance. Money paid under this section as determined by the department shall be deposited into the financial institutions fund established by IC 28-11-2-9. Except as specified in IC 28-11-3-3 concerning individual depositors, any information contained in call reports made by credit unions to the department must be made available to any person upon request.

SECTION 12. IC 28-7-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) Not more than thirty (30) business days after the conclusion of the annual meeting, the board of directors shall elect from its own members:

(1) a chairperson;

(2) a vice chairperson or vice chairpersons;

(3) a secretary; and

(4) a treasurer.

(b) The board may appoint officers of the credit union.

(c) The office of secretary and treasurer may be held by the same person. The board may appoint:

(1) an assistant secretary;

(2) an assistant treasurer; or

(3) both an assistant secretary and an assistant treasurer.

(d) The board of directors shall have the general management of the affairs, funds, and records of the credit union and shall meet at least monthly.

(e) The board may appoint an executive committee to exercise authority delegated to it by the board. All actions taken by the executive committee shall be subject to ratification by the board.

(f) Unless the bylaws provide otherwise, it is the duty of the directors to do the following:

(1) To act upon all applications for membership unless the board has appointed a membership officer. The board shall receive the report of the membership officer monthly and shall act upon all those applications for membership not approved by the membership officer.

(2) To determine rates of interest on loans.

(3) To determine:

(A) the maximum number of shares which may be held by a

member; and

- (B) the maximum amount which may be loaned to a member.
- (4) To declare dividends.
- (5) To amend the bylaws, provided that the qualifications for membership in the credit union are principally defined in the articles of incorporation.
- (6) To fill vacancies on the board and the credit committee until the next election.
- (7) To invest the funds of the credit union or to delegate the authority for investments to an executive committee or manager. However, the board of directors shall review all investments made by the executive committee or manager at least monthly.
- (8) To set the compensation of members of the board, credit committee, or supervisory committee.
- (9) To establish and annually review written lending policies and maintain the policies on file in the credit union.**

(g) The board may appoint loan officers. Each loan officer shall furnish to the credit committee or to the board a record of each loan approved or denied at its next meeting. A loan officer, including the treasurer or assistant treasurer, shall not have authority to disburse funds of the credit union for any loan which has been approved by the loan officer. Not more than one (1) member of the credit committee may be appointed as loan officer.

SECTION 13. IC 28-7-1-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Every loan application shall be submitted on a form approved by the board of directors. When making an application, a member shall state the security offered. Loans may be dispersed upon written approval by a majority of the credit committee or a loan officer. If the credit committee or loan officer fails to approve an application for a loan, the applicant may appeal to the board of directors, providing such appeal is authorized by the bylaws.

(b) Loans to members may be made only under the following terms and conditions:

(1) All loans shall be evidenced by notes signed by the borrowing member. ~~A loan shall not be made to a member if it would cause the member to become indebted to the credit union in an aggregate amount in excess of ten percent (10%) of the total unimpaired shares and surplus.~~

~~(2) Unsecured loans shall not exceed five percent (5%) of the current assets of the credit union. The board of directors shall establish written lending policies and maintain such policies on file in the credit union. For the purposes of this section, an assignment of shares or the endorsement of a note is considered security.~~

~~(3) (2)~~ Except as otherwise provided in this section, the terms of any loan to a member with a maturity of more than six (6) months shall provide for principal and interest payments that will amortize the obligation in full within the terms of the loan contract. If the income of the borrowing member is seasonal, the terms of the loan contract may provide for seasonal amortization.

~~(4) (3)~~ Loans may be made upon the security of improved or unimproved real estate. Except as otherwise specified in this section, such loans must be secured by a first lien upon real estate prior to all other liens, except for taxes and assessments not delinquent, and may be made with repayment terms other than as provided in subdivision ~~(3)~~ (2). When the amount of a loan is at least two hundred fifty thousand dollars (\$250,000), the fair cash value of real estate security shall be determined by a written appraisal made by one (1) or more qualified state licensed or certified appraisers designated by the board of directors. The credit union loan folder for real estate mortgage loans shall include, when applicable:

- (A) the loan application;
- (B) the mortgage instrument;
- (C) the note;
- (D) the disclosure statement;
- (E) the documentations of property insurance;
- (F) an appraisal on the real estate for which the loan is made; and
- (G) the attorney's opinion of titles or a certificate of title insurance on the real estate upon which the mortgage loan is

made.

~~(5) (4)~~ The total unpaid balance of all loans authorized by this subdivision shall, at no time, exceed thirty-three and one-third percent (33 1/3%) of the total assets of the credit union at the time the loans are granted. This section does not limit unpaid balances secured by adjustable rate mortgages or loans with a remaining maturity of five (5) years or less. Loans made upon security of real estate are subject to the following restrictions:

(A) Real estate loans in which no principal amortization is required shall provide for the payment of interest at least annually and shall mature within five (5) years of the date of the loan unless extended and shall not exceed fifty percent (50%) of the fair cash value of the real estate used as security.

(B) Real estate loans on improved real estate, except for variable rate mortgage loans and rollover mortgage loans provided for in subdivision ~~(6)~~ (5), shall require substantially equal payments at successive intervals of not more than one (1) year, shall mature within thirty (30) years, and shall not exceed ninety percent (90%) of the fair cash value of the real estate used as security, unless the excess of any loan over the authorized percentage of fair cash value is guaranteed or insured by a government agency or a private insurer authorized to engage in such business in Indiana.

(C) Real estate loans on unimproved real estate may be made. The terms of the loan shall:

- (i) require substantially equal payments of interest and principal at successive intervals of one (1) year or less;
- (ii) mature within ten (10) years; and
- (iii) not exceed eighty-five percent (85%) of the fair cash value of the real estate used as security.

(D) Loans primarily secured by a mortgage which constitutes a second lien on improved real estate may be made only if the aggregate amount of all loans on the real estate does not exceed one hundred percent (100%) of the fair cash value of the real estate after such loan is made. Repayment terms shall be in accordance with subdivision ~~(3)~~ (2).

(E) Real estate loans may be made for the construction of improvements to real property. Funds borrowed may be advanced as work on the improvements progresses. Repayment terms must comply with subdivision ~~(3)~~ (2).

~~(6) (5)~~ Subject to the limitations of subdivision ~~(4)~~ (3), variable rate mortgage loans and rollover mortgage loans may be made under the same limitations and rights provided state chartered savings associations under IC 28-1-21.5 (before its repeal) or IC 28-15 or federal credit unions.

~~(7) (6)~~ A credit union may participate with other financial institutions in making loans to credit union members and may sell a participating interest in any of its loans. However, the credit union may not sell more than ninety percent (90%) of the principal of participating loans outstanding at the time of sale.

(7) Notwithstanding subdivisions (1) through (6), a credit union may make any of the following:

(A) Any loan that may be made by a federal credit union. However, IC 24-4.5 applies to any loan that is:

- (i) made under this clause; and**
- (ii) within the scope of IC 24-4.5.**

Any provision of federal law that is in conflict with IC 24-4.5 does not apply to a loan made under this clause.

(B) Subject to subdivision (3), any alternative mortgage loan (as defined in IC 28-15-11-2) that may be made by a savings association (as defined in IC 28-15-1-11) under IC 28-15-11. A loan made under this clause by a credit union is subject to the same terms, conditions, exceptions, and limitations that apply to an alternative mortgage loan made by a savings association under IC 28-15-11.

(8) A credit union may make a loan under either:

- (i) subdivisions (2) through (6); or**
- (ii) subdivision (7);**

but not both. A credit union shall make an initial determination as to whether to make a loan under subdivisions (2) through (6) or under subdivision (7). If the

credit union determines that a loan or category of loans is to be made under subdivision (7), the written loan policies of the credit union must include that determination. A credit union may not combine the terms and conditions that apply to a loan made under subdivisions (2) through (6) with the terms and conditions that apply to a loan made under subdivision (7) to make a loan not expressly described and authorized either under subdivisions (2) through (6) or under subdivision (7).

(c) Nothing in this section prevents any credit union from taking an indemnifying or second mortgage on real estate as additional security.

SECTION 14. IC 28-7-1-17.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17.1. (a) Subject to subsection (b), a credit union may make a loan to the credit union's individual officers, directors, and committee members under the following terms and conditions:

- (1) The loan must comply with all requirements under this chapter that apply to loans made to other borrowers.
- (2) The loan may not be on terms more favorable than those extended to other borrowers.
- (3) The borrower may not:
 - (A) take part in the consideration of; or
 - (B) vote on;

the borrower's loan application.

(4) Except as provided in subsection (b), a credit union may not make a loan under this section to an individual, the individual's immediate family, or the individual's related interests if the amount of the loan, either by itself or when added to the amounts of all other loans made under this section to the individual, the individual's immediate family, or the individual's related interests, exceeds the greater of:

- (A) five percent (5%) of the credit union's unimpaired capital and surplus; or
- (B) twenty-five thousand dollars (\$25,000);

unless the loan is first approved by the credit union's board of directors.

(5) A credit union may not make a loan under this section to an individual, the individual's immediate family, or the individual's related interests if the amount of the loan, either by itself or when added to the amounts of all other loans made under this section to the individual, the individual's immediate family, or the individual's related interests, exceeds the lending limits set forth in IC 28-7-1-39.

(6) Subject to subsection (b), the total amount of all loans made under this section may not exceed the credit union's unimpaired capital and surplus.

(b) The limits set forth in subsections (a)(4) and (a)(6) do not apply to any of the following:

- (1) An extension of credit made under a line of credit approved under subsection (a)(4) if the extension of credit is made not later than fourteen (14) months after the line of credit was approved.
- (2) A loan, in any amount, to finance the education of an individual's child.
- (3) A loan, in any amount, to finance or refinance the purchase, construction, maintenance, or improvement of a residence of the individual, if:
 - (A) the loan is secured by a first lien on the residence and the residence is owned, or will be owned after the loan is made, by the individual; and
 - (B) in the case of a refinancing, the loan includes only the amount used to repay the original loan, plus any closing costs and any additional amount used for any purpose described in this subdivision.
- (4) A loan, in any amount, secured by a perfected security interest in bonds, notes, certificates of indebtedness, or treasury bills of the United States or in other obligations fully guaranteed as to principal and interest by the United States.
- (5) A loan, in any amount, secured by a perfected security interest in a segregated deposit account in the lending credit union.
- (6) A loan made to an individual, the individual's immediate

family, or the individual's related interests, for any other purpose, if the total amount of loans to the individual, the individual's immediate family, or the individual's related interests under this section does not exceed, at any given time, the greater of:

- (A) two and one-half percent (2.5%) of the credit union's unimpaired capital and unimpaired surplus; or
 - (B) twenty-five thousand dollars (\$25,000);
- but in no event more than one hundred thousand dollars (\$100,000).

(c) At least quarterly, the president or manager shall prepare and deliver to the board of directors a report listing the outstanding indebtedness of all officers, directors, and committee members. A report prepared under this subsection must be retained at the credit union for three (3) years and shall not be filed with the department unless specifically requested. A report required by this subsection must include:

- (1) the amount of each indebtedness; and
- (2) a description of the terms and conditions of each loan, including:
 - (A) the interest rate;
 - (B) the original amount and date of the loan;
 - (C) the maturity date;
 - (D) payment terms;
 - (E) security, if any; and
 - (F) any unusual term or condition of a particular extension of credit.

(d) The department may apply the provisions of 12 CFR 215 (Regulation O) in applying and administering this section.

SECTION 15. IC 28-7-1-39 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. (a) As used in this section, "loans and extensions of credit" includes all direct or indirect advances of funds made to a member on the basis of:

- (1) an obligation of the member to repay the funds; or
- (2) a pledge of specific property by or on behalf of the member and from which the funds advanced are repayable.

The term includes any contractual liability of a credit union to advance funds to or on behalf of member, to the extent specified by the department.

(b) As used in this section, "member" includes an individual, a sole proprietorship, a partnership, a joint venture, an association, a trust, an estate, a business trust, a limited liability company, a corporation, a sovereign government, or an agency, instrumentality, or political subdivision of a sovereign government, or any similar entity or organization.

(c) Except as provided in subsection (e), the total loans and extensions of credit by a credit union to a member outstanding at any given time and not fully secured, as determined in a manner consistent with subsection (d), by collateral with a market value at least equal to the amount of the loan or extension of credit may not exceed fifteen percent (15%) of the unimpaired capital and unimpaired surplus of the credit union.

(d) Except as provided in subsection (e), the total loans and extensions of credit by a credit union to a member outstanding at any given time and fully secured by readily marketable collateral having a market value, as determined by reliable and continuously available price quotations, at least equal to the amount of funds outstanding may not exceed ten percent (10%) of the unimpaired capital and unimpaired surplus of the credit union. The limitation in this subsection is separate from and in addition to the limitation set forth in subsection (c).

(e) The limitations set forth in subsections (c) and (d) are subject to the following exceptions:

- (1) Loans or extensions of credit arising from the discount of commercial or business paper evidencing an obligation to the member negotiating it with recourse are not subject to any limitation based on capital and surplus.
- (2) The purchase of bankers' acceptances of the kind described in 12 U.S.C. 372 and issued by a financial institution organized or reorganized under the laws of Indiana or any other state or the United States are not subject to any limitation based on capital and surplus.
- (3) Loans or extensions of credit secured by bills of lading,

warehouse receipts, or similar documents transferring or securing title to readily marketable staples are subject to a limitation of thirty-five percent (35%) of capital and surplus in addition to the general limitations if the market value of the staples securing each additional loan or extension of credit at all times equals or exceeds one hundred fifteen percent (115%) of the outstanding amount of the loan or extension of credit. The staples shall be fully covered by insurance whenever it is customary to insure such staples.

(4) Loans or extensions of credit secured by bonds, notes, certificates of indebtedness, or Treasury bills of the United States or by any other obligation fully guaranteed as to principal and interest by the United States are not subject to any limitation based on capital and surplus.

(5) Loans or extensions of credit to or secured by unconditional takeout commitment or guarantees of any department, agency, bureau, board, commission, or establishment of the United States or any corporation wholly owned directly or indirectly by the United States are not subject to any limitation based on capital and surplus.

(6) Loans or extensions of credit secured by a segregated deposit account in the lending credit union are not subject to any limitation based on capital and surplus.

(7) Loans or extensions of credit to any credit union, when the loans or extensions of credit are approved by the director of the department, are not subject to any limitation based on capital and surplus.

(8) Loans or extensions of credit to the Student Loan Marketing Association are not subject to any limitation based on capital and surplus.

(f) Loans or extensions of credit arising from the discount of negotiable or nonnegotiable installment consumer paper that carries a full recourse endorsement or unconditional guarantee by the member transferring the paper is subject under this section to a maximum limitation equal to twenty-five percent (25%) of the capital and surplus, notwithstanding the collateral requirements set forth in subsection (d).

(g) If the credit union's files or the knowledge of the credit union's officers of the financial condition of each maker of consumer paper described in subsection (f) is reasonably adequate, and an officer of the credit union designated for that purpose by the board of directors of the credit union certifies in writing that the credit union is relying primarily upon the responsibility of each maker for payment of the loans or extensions of credit and not upon any full or partial recourse endorsement or guarantee by the transferor, the limitations of this section as to the loans or extensions of credit of each maker shall be the sole applicable loan limitations.

(h) Loans or extensions of credit secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than one hundred fifteen percent (115%) of the face amount of the note covered are subject under this section, notwithstanding the collateral requirements set forth in subsection (d), to a maximum limitation equal to twenty-five percent (25%) of the capital and surplus.

(i) Loans or extensions of credit that arise from the discount by dealers in dairy cattle of paper given in payment for dairy cattle, which paper carries a full recourse endorsement or unconditional guarantee of the seller and that are secured by the cattle being sold, are subject under this section, notwithstanding the collateral requirements set forth in subsection (d), to a limitation of twenty-five percent (25%) of the capital and surplus.

(j) Except as otherwise provided, an officer, director, employee, or attorney of a credit union who stipulates for, receives, or consents or agrees to receive, any fee, commission, gift, or thing of value, from any person, for the purpose of procuring or endeavoring to procure for any member any loan from or the purchase or discount of any paper, note, draft, check, or bill of exchange by the credit union, commits a Class A misdemeanor.

(k) Except as otherwise provided in this chapter, any credit union that holds obligations of indebtedness in violation of the

limitations prescribed in this section shall, not later than July 1, 2006, cause the amount of the obligations to conform to the limitations prescribed by this chapter and by the provisions of this section. The department may, in its discretion, extend the time for effecting this conformity, in individual instances, if the interests of the depositors will be protected and served by an extension. Upon the failure of a credit union to comply with the limitations, in accordance with this section or in accordance with any order of the department concerning the limitations, the department may declare that the credit union is conducting its business in an unauthorized or unsafe manner and proceed in accordance with IC 28-1-3.1-2.

(l) The department may apply the provisions of 12 CFR 32 in the application and administration of this chapter.

SECTION 16. IC 28-10-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A reference to a federal law or federal regulation in IC 28 is a reference to the law or regulation in effect January 1, ~~2004~~ 2005.

SECTION 17. IC 28-11-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The director, on behalf of the department, shall employ qualified individuals as assistants, deputies, supervisors, and other necessary employees. The technical or professional qualification of an applicant shall be determined by examination, by professional rating, or as the director determines. **The director may retain the services of a qualified independent contractor to assist the department in the examination process under this article. Contracts executed under this section must comply with state contracting laws and the contracting policies and procedures of the Indiana department of administration.**

SECTION 18. IC 28-11-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) As used in this section:

(1) "federally chartered" means an entity organized or reorganized under the law of the United States; and

(2) "state chartered" means an entity organized or reorganized under the law of Indiana or another state.

(b) If the department determines that federal law has preempted a provision of IC 24, IC 26, IC 28, IC 29, or IC 30, the provision of IC 24, IC 26, IC 28, IC 29, or IC 30 applies to a state chartered entity only to the same extent that the department determines the provision is applicable to the:

(1) same; or

(2) functionally equivalent; type of federally chartered entity.

(c) A state chartered entity seeking an exemption from a provision of IC 24, IC 26, IC 28, IC 29, or IC 30 based on the preemption of the provision as applied to a federally chartered entity shall submit a letter to the department:

(1) describing in detail; and

(2) documenting the federal preemption of; the provisions from which it seeks exemption. If available, copies of relevant federal law, regulations, and interpretive letters must be attached to the letter submitted by the requesting entity.

(d) The department shall notify the requesting entity ~~within of the department's receipt of the request not later than~~ ten (10) business days after the department's receipt of a letter described in subsection (c). Except as provided in subsection (e), upon receipt of the notification, the requesting entity may operate as if it is exempt from the provision of IC 24, IC 26, IC 28, IC 29, or IC 30 ~~for ninety (90) days~~ after the date on which the department receives the letter, unless otherwise notified by the department. This period may be extended **for an additional ninety (90) days** if the department determines that the requesting entity's letter raises issues requiring additional information or additional time for analysis. If the department extends the period **for the department's review of the request**, the requesting entity may operate as if the requesting entity is exempt from a provision of IC 24, IC 26, IC 28, IC 29, or IC 30 **during the extended period of review** only if the requesting entity receives prior written approval from the department. However:

(1) the department must:

(A) approve or deny the requested exemption; or

(B) convene a hearing;

not later than ninety (90) days after the department receives the requesting entity's letter, **unless the department has extended the period for the department's review under this subsection**; and

(2) if a hearing is convened, the department must approve or deny the requested exemption not later than ninety (90) days after the hearing is concluded.

(e) The department may refuse to exempt a requesting entity from a provision of IC 24, IC 26, IC 28, IC 29, or IC 30 if the department finds that any of the following conditions apply:

(1) The department determines that a described provision of IC 24, IC 26, IC 28, IC 29, or IC 30 is not preempted for a federally chartered entity of the:

(A) same; or

(B) functionally equivalent;
type.

(2) The extension of the federal preemption in the form of an exemption from a provision of IC 24, IC 26, IC 28, IC 29, or IC 30 to the requesting entity would:

(A) adversely affect the safety and soundness of the requesting entity; or

(B) result in an unacceptable curtailment of consumer protection provisions.

(3) The failure of the department to provide for the exemption from a provision of IC 24, IC 26, IC 28, IC 29, or IC 30 will not result in a competitive disadvantage to the requesting entity.

(f) The operation of a financial institution in a manner consistent with exemption from a provision of IC 24, IC 26, IC 28, IC 29, or IC 30 under this section is not a violation of any provision of the Indiana Code or rules adopted under IC 4-22-2.

(g) If a financial institution is exempted from the provisions of IC 24, IC 26, IC 28, IC 29, or IC 30 in compliance with this section, the department shall do the following:

(1) Determine whether the exemption shall apply to all financial institutions that, in the opinion of the department, possess a charter that is:

(A) the same as; or

(B) functionally the equivalent of;
the charter of the exempt institution.

(2) For purposes of the determination required under subdivision (1), ensure that applying the exemption to the financial institutions described in subdivision (1) will not:

(A) adversely affect the safety and soundness of the financial institutions; or

(B) unduly constrain Indiana consumer protection provisions.

(3) Issue an order published in the Indiana Register that specifies whether the exemption applies to the financial institutions described in subdivision (1).

(h) If the department denies the request of a financial institution under this section for exemption from Indiana Code provisions that are preempted for federally chartered institutions, the requesting institution may appeal the decision of the department to the circuit court of the county in which the principal office of the requesting institution is located.

(i) If the department determines that federal law has preempted a provision of IC 24, IC 26, IC 28, IC 29, or IC 30 as the provision applies to an operating subsidiary of a federally chartered entity, the provision of IC 24, IC 26, IC 28, IC 29, or IC 30 applies to a qualifying subsidiary (as defined in IC 28-13-16-1) of a state chartered entity only to the same extent that the department determines the provision applies to the operating subsidiary of:

(1) the same; or

(2) the functionally equivalent;

type of federally chartered entity. In determining whether to extend the exemption from a provision of IC 24, IC 26, IC 28, IC 29, or IC 30 to a qualifying subsidiary (as defined in IC 28-13-16-1) of a state chartered entity under this subsection, the department shall use the procedures and undertake the considerations described in this section for a preemption determination with respect to a state chartered entity.

SECTION 19. IC 28-11-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. If the director has

reasonable cause to believe that a financial institution:

(1) has engaged, is engaging, or will engage in an unsafe or unsound practice in conducting the business of the financial institution; or

(2) has violated, is violating, or will violate a:

(A) statute;

(B) rule;

(C) condition imposed in writing by the director in connection with the granting of an application or other request by the financial institution; or

(D) written agreement entered into with the department;

the director may issue and serve upon the financial institution a notice of charges of the practice or violation. **The department may, when appropriate, exercise enforcement powers under this chapter jointly with a financial institution's primary federal regulator.**

SECTION 20. IC 28-11-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. If the **director** of the department enters into a consent to a final order under section 7 of this chapter with a financial institution, director, officer, or employee, the director is not required to issue and serve a notice of charges upon the financial institution, director, or officer under section 2 or 3 of this chapter. A consent agreement may be negotiated and entered into before or after the issuance of a notice of charges.

SECTION 21. IC 28-12-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The articles of incorporation must set forth the following:

(1) A corporate name for the corporation that satisfies the requirements of IC 28-12-3.

(2) The number of shares the corporation is authorized to issue.

(3) The street address of the corporation's principal office in Indiana.

(4) The name and address of each incorporator, unless the articles of incorporation are articles of conversion **or articles of restatement under IC 28-13-14-14.**

(5) The amount of capital with which the corporation will begin business.

(6) The names and addresses of the individuals who are to serve as the initial directors.

(7) The maximum number of directors.

(8) The purpose or purposes for which the corporation is organized.

(9) The effective date of the articles of incorporation.

SECTION 22. IC 28-13-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Unless the articles of incorporation provide otherwise, if a vacancy occurs on a board of directors, including a vacancy resulting from an increase in the number of directors:

(1) the board of directors may fill the vacancy; or

(2) if the directors remaining in office constitute fewer than a quorum of the board, the directors may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

(b) If the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the shareholders.

(c) A vacancy that will occur at a specific later date by reason of a resignation effective at a later date under section 7(b) of this chapter or otherwise may be filled before the vacancy occurs. However, the new director may not take office until the vacancy occurs.

(d) If a vacancy is not filled through a corporation's normal process for filing vacancies within a time considered reasonable by the department, the director of the department may make a temporary appointment to the board of directors to fill the vacancy. The director of the department shall appoint a person whom the director considers capable of providing competent leadership and decision making ability. A person appointed to a board of directors under this subsection shall serve on the board until the corporation fills the position through the corporation's normal process for filing vacancies on the board. However, a person appointed to a board of directors by the director of the department under this subsection may not serve on the board for more than two (2) years, unless the person is selected to fill the vacancy through the corporation's normal process for filling

vacancies. For purposes of this subsection, in determining whether a corporation has had a reasonable period in which to fill a vacancy, the department shall consider the following:

- (1) The financial condition of the corporation.
- (2) The number of remaining board members.
- (3) The potential harm to the corporation that could result without an appointment under this subsection.

SECTION 23. IC 28-13-14-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) A corporation's board of directors or, if the board of directors has not been selected, the incorporators may restate the corporation's articles of incorporation at any time with or without shareholder action.

(b) The restatement may include at least one (1) amendment to the articles. If the restatement includes an amendment requiring shareholder approval, the amendment must be adopted as provided in sections 3 through 7 of this chapter.

(c) If the board of directors submits a restatement for shareholder action, the corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting in accordance with IC 28-13-5-8. The notice must also do the following:

- (1) State that the purpose or one (1) of the purposes of the meeting is to consider the proposed restatement.
- (2) Contain or be accompanied by a copy of the restatement that identifies any amendment or other change the corporation would make in the articles.

(d) A corporation restating the corporation's articles of incorporation shall prepare articles of restatement setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate setting forth:

- (1) whether the restatement contains an amendment to the articles requiring shareholder approval and, if the restatement does not, that the board of directors adopted the restatement; or
- (2) if the restatement contains an amendment to the articles requiring shareholder approval, the information required by section 10 of this chapter.

Notwithstanding IC 28-12-2-1(4), the corporation is not required to include in the articles of restatement the name and address of each incorporator.

(e) The following do not constitute an amendment to a corporation's articles of incorporation:

- (1) A reordering or renumbering of the articles or sections of the articles.
- (2) The correction of grammatical or spelling errors.

SECTION 24. IC 32-17-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. As used in this chapter, "security account" means:

(1) a reinvestment account associated with a security, a securities account with a broker, a cash balance in a brokerage account, cash, interest, earnings, or dividends earned or declared on a security in an account, a reinvestment account, or a brokerage account, whether or not credited to the account before the owner's death; or

(2) an investment management account or custody account with a corporate fiduciary or with a bank, savings bank, or savings association with trust powers, including securities in the account, a cash balance in the account, and cash, cash equivalents, interest, earnings, or dividends earned or declared on a security in the account, whether or not credited to the account before the owner's death; or

~~(2)~~ (3) a cash balance or other property held for or due to the owner of a security as a replacement for or product of an account security, regardless of whether the cash was credited to the account before the owner's death.

SECTION 25. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of financial institutions established by IC 28-11-1-1.

(b) The department shall, in consultation with appropriate industry associations and other interested parties, consider appropriate language for proposed legislation intended to modernize IC 28 to incorporate provisions concerning emerging technology and electronic banking.

(c) Not later than November 1, 2005, the department shall submit to the general assembly a report that:

- (1) includes recommendations for proposed legislation concerning electronic banking in Indiana; and
- (2) is based on the department's consultations under subsection (b).

A report submitted under this subsection must be in an electronic format under IC 5-14-6.

(d) This SECTION expires January 1, 2006.

SECTION 26. An emergency is declared for this act.

(Reference is to HB 1179 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

BURTON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1306, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 16, after "Disclose" insert "**in writing**".

Page 2, line 1, before "that" insert "**in writing**".

(Reference is to HB 1306 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

BECKER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1326, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 13 through 17.

Page 2, delete lines 1 through 6.

Page 2, line 7, delete "(c)" and insert "**(b)**".

Page 2, line 8, delete "or (b)".

Page 2, line 9, delete "(a) and (b)." and insert "**(a)**".

(Reference is to HB 1326 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

BECKER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1662, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 42, delete "2007." and insert "**2009**".

(Reference is to HB 1662 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

BECKER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1745, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 0.

BECKER, Chair

Report adopted.

OTHER BUSINESS ON THE SPEAKER'S TABLE

Reassignments

The Speaker announced the following reassignments:

House Bill 1350 from the Committee on Judiciary to the Committee on Financial Institutions.

House Bill 1387 from the Committee on Local Government to the Committee on Employment and Labor.

House Bill 1599 from the Committee on Employment and Labor to the Committee on Public Health.

Referrals to Ways and Means

The Speaker announced, pursuant to House Rule 127, that House Bill 1345 had been referred to the Committee on Ways and Means.

HOUSE MOTION

Mr. Speaker: I move that Representative Kuzman be added as coauthor of House Bill 1028.

ULMER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Austin be added as coauthor of House Bill 1038.

NEESE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Buck, Woodruff, and Crooks be added as coauthors of House Bill 1090.

FRIZZELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Neese be added as coauthor of House Bill 1101.

SAUNDERS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Ulmer, Porter, and Dodge be added as coauthors of House Bill 1112.

RICHARDSON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Ayres and Austin be added as coauthors of House Bill 1128.

T. HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 suspended for the purpose of adding more than three coauthors to House Bill 1154 and that Representatives Whetstone, Aguilera, and Klinker be added as coauthors.

SAUNDERS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Woodruff, Oxley, and Ruppel be added as coauthors of House Bill 1179.

BURTON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Aguilera be added as coauthor of House Bill 1182.

LEONARD

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Budak and Kuzman be added as coauthors of House Bill 1217.

FRIZZELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Ruppel and Tincher be added as coauthors of House Bill 1220.

KOCH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Lehe removed as author of House Bill 1274 and that Representative Torr be substituted as author.

LEHE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Stevenson and Bischoff be added as coauthors of House Bill 1390.

FRIZZELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Crawford be added as coauthor of House Bill 1435.

HINKLE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Hinkle be added as coauthor of House Bill 1456.

MURPHY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Woodruff be added as coauthor of House Bill 1530.

MESSER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Welch be added as coauthor of House Bill 1546.

ESPICH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Kersey be added as coauthor of House Bill 1601.

WHETSTONE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Ayres be added as coauthor of House Bill 1629.

STEVENSON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Klinker be added as coauthor of House Bill 1635.

T. BROWN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Grubb be added as coauthor of House Bill 1659.

BORROR

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Hoy be added as coauthor of House Bill 1670.

HINKLE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Mays and Noe be added as coauthors of House Bill 1822.

AUSTIN

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Borders, the House adjourned at 3:50 p.m., this twenty-fifth day of January, 2005, until Thursday, January 27, 2005, at 1:30 p.m.

BRIAN C. BOSMA

Speaker of the House of Representatives

M. CAROLINE SPOTTS

Principal Clerk of the House of Representatives